Treasury Department Tells When 1 Per Cent. Is to Be Withheld at Source.

HOW TO GET EXEMPTIONS

Settle Problem of Husband and Wife, Each With Over \$3,000 Income.

WASHINGTON, Oct. 31.—The Treasury Department's second chapter of its primer telling how to pay the income tax was

The first set of regulations dealt entirely with the payment at the source of the normal tax of 1 per cent. on incomes from bonds and mortgages and other similar obligations of corporations and business concerns. To-night's instructions deal altogether with the tax collected at the source on all other forms of

smounting to more than \$3,000 a year single or \$4,000 a year if married is told how to avail himself of any exemp-

tion to which he is entitled. Also many puzzling questions that have Normal Tax on the Same Income arisen as to what classes of income are to be withheld at the source are cleared up in these regulations. Farmers, merchants, lawyers, doctors, authors and others who receive incomes at irregular obliged to file their own returns.

To-day's regulations explain also how the tax will work as between husband and wife when both have taxable incomes and many other problems that will come up immediately for the consideration of the man who gets more than \$2,000 a

The tax at the source is to be withheld beginning to-morrow on all incomes above the exemption amounts, which are fixed on certain. The "source" will not, on any of these incomes until the total of payments have amounted to \$3,000. Here are the Treasury Department's regulations, the subheads in black type being included in the official statement;

Regarding the deduction at the source of the normal tax of 1 per cent. from income of individuals other than income derived from interest upon bonds and mortgages, or deeds of trust or other similar obstock companies or associations and tuangance companies under the pro-

By Whom the Normal Tax Shall Be Deducted and Withheld.

All persons, firms, &c., mentioned in Paragraph E of this law hereinafter referred to as "Withholding Agents." Exemptions Which May Be Claimed by Individuals.

opartnerships, companies, corpora-

sated on the commission basis, lawyers, doctors, authors, inventors and other professional persons.

Such persons shall make personal return of all their income, provided their total income from all sources exceeds

For example: When a lawyer receives a retainer of \$3,000 as a special fee, a de-duction therefrom shall not be made by

duction therefrom shall not be made by the payer, but when a lawyer receives a retainer of \$5,000 per annum and the ex-emption claimed is \$3,000, \$2,000 of such ancome would be taxed and the tax re-tained at the source, or if his exemption laimed should be \$4,000, \$1,000 of such income would be taxed and the tax with-orid at the source.

he has been elected, and of the judges of then under paragraph C of section a, or the Supreme and inferior courts of the this act, in which case the withholding United States now in office, and the compensation of all officers and employees of a state or any political subdivision thereof, except when such compensation thereof, except when such compensation thereof, except when such compensation paid as required by law. thereof, except when such compensation is paid by the United States Government. This exempts from the income tax alsalaries paid to an individual by a Stat. or any political subdivision thereof; this income.

In the regulations made public this would include salaries of State, county and municipal officers, including the salaries of public school teachers and special esation paid by States or subdivi-

debtor for his, her or its duly appointed agent authorized to make such deduction

and payment.
No other person, firm or organization in No other person, firm or organization in whatever capacity acting, having the receipt, custody or disposal of any income as herein provided, shall be required to again deduct and withhold the normal tax of 1 per cent, thereon, provided that any person, firm or organization, in whatever capacity acting, other than the debtor who has withheld said tax, shall file with the collector of internal revenue for his, her or its district, a certificate in substantial collectors as shown below. or its district, a certificate in substan- claim deductions as shown below.

Form of Certificate to be Filed by Persons, Firms or Organizations, whatsoever. Required to Withhold and Pay Said Tax, Other Than the Debtor at the Source.

To-(name of collector of internal rev-nue)--(Give address and district)--1-(name)--(official title if any) of the rson, firm or organization)—(call in which acting) of—(post office s)—do solemnly declare that I received of—(name from whom s))—, same being means desired. (person, firm or organization)—(cavisions of section 2 of the act of Oc- name of person to whom income is due)
-(address) and that the tax amounting "The source," in these regulations, shall has been withheld at the source of said he construed as referring to the place income by (name of person withholding) 5. Do worthly the construed as referring to the place income by (name of person withholding) 6. An expect the income originates.

(City and State).

by Individuals.

Any person, subject to the no "Copartnerships, companies, corporations, joint stock companies or associations, insurance companies in whatever
tions, insurance companies, in whatever
capacity acting, including lessees, mortgagors of real or personal property, trusties acting in any trust capacity, executors, administrators, agents, receivers, constraightful acting in the following the
servators, employers and all officers and
the withholding agent not less than thirty
employees of the United States having the
days prior to the day on which the return
and the income is due, a miles in the following
the days prior to the day on which the return
and the income is due, a miles in the following
the days prior to the day on which the return
that are the companies or associated as the capacity at the context.

Two, of the Federal Income Tax Law

For the present year of 1913 (from March 1 to December 31) exemptions allowed under paragraph C of this law will be five-sixths of those of the calendar year, as specified in paragraph D, namely \$2,500 if the exemption is \$3,000, or \$3,333,33 if the exemption is \$4,000, as the case may be as the case may be.

When and on What Amount the Normal Tax of 1 Per Cent. Shall

A withholding agent who pays monthly or periodically during the year interest (except income derived from interest upon bonds and mortgages, or deeds of trust, or other similar obligations of corporations, emption claimed is \$3,000, \$2,000 of such accome would be taxed and the tax retained at the source, or if his exemption iaumed should be \$4,000, \$1,000 of such income would be taxed and the tax with-neid at the source.

(4) The value of property acquired by sift, bequest, devise or descent.

(5) Interest upon the obligation of a State or any political subdivision thereof, and upon the obligations of the United States or its possessions; also the compensation of the present President of the United States during the term for which he has been elected, and of the judges of the Supreme and inferior courts of the state, in which case the withholding exemption under paragraph C of Section 2, of this act, in which case the withholding

Deductions to He Made in Computing Net Income.

Any person subject to the normal in-come tax of 1 per cent. a part of whose income is withheld or is to be withheld at the source, who may wish to avail himself of the deductions authorized in subsection B, Section 2 of this act, may file either with the Collector of Internal Revenue for the district in which return is made for him, or with the withholding agent, not less than thirty days prior to March 11 a return and notice in substantially the following form:

-- (name of withholding agost)

or city) -- (State) -Amount of gains, profits, interest, rents, royalties, profits from copartner-

ships and income from all other sources

1. The amount of necessary expenses actually paid in carrying on business, not including personal living or family expenses-

All interest paid within the year on personal indebtedness of tax payer.

4. Losses actually sustained during the year, incurred in trade or arising from fires, storms or shipwreck and not compensated for by insurance or otherwise.

5. Debts due, actually ascertained to be worthless and charged off within the

 Amount representing a reasonable allowance for the exhaustion, wear and tear of property arising out of its use or employment in the business, not in tion of excess in the case of mines 5 per cent. of the gross value of the output for the year for which the computation is smalle, but not including the expense of of great performance. the year for which the computation is made, but not including the expense of restoring property or making good the exhaustion thereof for which an allowance is or base because it is or base because it is the strangest thing that mortal mortal including the strangest thing that mortal including the strangest thing the strangest t

exhaustion thereof for which an allowance is or has been made—
7. The amount received as dividends upon the stock or from the net earnings of any corporation, joint stock company, association or insurance company which is taxable upon its ret income.

Another in Filing Return and

Making Application for Deduc-

tions Allowable Under Paragraph

H as Provided in Paragraph 3.

Section Two of the Federal In-

come Tax Law of Oct. 3, 1913:

I hereby swear (or affirm) that I have sufficient knowledge of affairs and

property of (naming person and address for whom acting) to enable me to make full and complete return for (naming persons), and that the return of income

and application for deductions made by

Address (street and number).....

Subsection F of section 2 of the income tax law provides, inter alia, as follows:

Any person or any officer of any cor-

poration required by law to make, render

sign or verify and return, who makes any faise or fraudulent return or state-

ment with intent to defeat or evade

NAVAL HOLIDAY IDEA

IS FAVORED IN HOUSE

tures of Churchill Proposal

1s Discussed.

the proposal of

Admiralty, that the Powers as a means of

resolution, which was withdrawn, how-ever, at the instance of Mr. Mann, who in-

induce this Government to take the

was a demand for a great navy because

tion of every naval bill war scares were started to influence the action of Con

sentatives in attendance.

City and State.....

ne are true and acurate.

holding agent, who shall make the following oath, under the penalties of this REDUCED TO FOUR holding Agent When Acting for

> Committee Would Authorize Federal Board to Increase Number to Twelve.

ADMINISTRATION IGNORED

Public May Get Chance to Subscribe for Stock in Reserve Associations.

WASHINGTON, Oct. 31 .- The Senate Committee on Banking and Currence agreed late to-day to reduce from twelve to four the number of regional reservbanks to be authorized in the currency bill, but will provide that the Federal reserve board may in its discretion rais assessment required to be made, shall be guilty of a misdemeanor and shall be fined not exceeding \$2,000 or be impristhis number to twelve after two years. oned not exceeding one year, or both, in the discretion of the court, with the costs

duction in the number of the regional In its immediate results to-day's action is a defeat for the Administration. The

President has indicated that he would acept a reduction from twelve, but he desired no fewer than nine regional banks. Friends of the Administration were say ng to-night, however, that the President had practically won in that the Federal reserve board has authority to increase he number to twelve.

The final vote on the compromise plan was 10 to 2. The added authority conferred on the Federal reserve board was suggested by Senator O'Gorman, who has been standing out against twelve regional Resolution Embodying Feareserve associations.

Wilson is strongly opposed to the action of the committee, but will insist on more Washington, Oct. 31.—Representative of the committee, but will insist on more than four regional reserve banks at the Henseley of Missouri, a Democrat, pre-

Senator O'Gorman said to-night that he sented a resolution in the House to-day Winston believed the Federal reserve board would Indorsing the proposal of Winston believed the rederal reserved that Churchill, the British First Lord of the reach the conclusion before two years that four associations are enough and that

economy, should suspend naval construc-The resolution was debated for more The next vote, on a motion to reduce the number to ten, was favored only by Senators Owen, Shafroth and Pomerene. of Illinois. In fact all the members present seemed to favor the principle of the

son's motion to create four reserves, unconditionally. This prevailed, 7 to 5.

Those voting against it were Chairman Owen, and Senators Shafroth, Pomerene, Hollis and McLean. The opinion was expressed after the House adjourned that the debate on the resolution would result in a movement to Senator Reed in voting for Senator tive in an attempt to persuade foreign Nelson's motion announced that he would Governments to adopt an agreement such propose a resolution modifying it later to as was proposed by Winston Churchill.

In the course of the debate Mr. Mann, the Republican leader, said that there regional reserves up to a limit of fortyafter two years to create any number of

Senator Reed's modification failed and Senator O'Gorman proposed to authorize the Federal board, after two years, to increase the number to twelve. Ten votes were cast in favor of this and only two against—Senator Bristow and Senator McLean.

The action taken on the regional reserve The action taken on the regional reserve can situation and in sympathy with the American Stuation and in sympathy with Senator Stuation Stuation and in sympathy with Senator Stuation Stuat

central bank proposal for the time being and assume that the new currency plan | Kie, who established army work in Geris to be based on the regional reserve | many. He is also familiar with Ameriidea and to perfect that plan according to | can conditions. To what new field Miss | Sun to-day that the hurried enforcement association or insurance company which is taxable upon its net income.

S. The amount of income, the tax upon which has been paid or withheld for payment at the source of income.

But now when we have one hundred million, a lot of people are going around.

The source of income.

The source of income.

Apollinaris

REVISED IMPORT DUTY.

Prices for Apollinaris Water are forthwith reduced Fifty Cents per Case.

the banks have strongly urged the re-

Founder's Son Admits on Ar- city on November 19. rival That Nepotism May Be Abandoned.

learned to-night that President No Member of Family Likely as Successor to Eva

Booth.

vation Army, arrived yesterday in one of there will be no increase.

The action by the committee came after a number of votes had been taken on tarious proposals. The first vote was on various proposals. The first vote was on looth nepotism in the Salvation Army one in this withholding the time of the finest suites of the Cunarder Lusi-time that the various proposals. The first vote was on looth nepotism in the Salvation Army one is thus withholding the time of the finest suites of the Cunarder Lusi-time that the various proposals. The first vote was on looth nepotism in the Salvation Army one is thus withholding the time of the finest suites of the Cunarder Lusi-time that the various proposals. The first vote was on looth nepotism in the Salvation Army one of this withholding the time of the finest suites of the Cunarder Lusi-time that the various proposals. than an hour, and its purpose was cor-dially indorsed by such leaders as Speaker Clark and Representative James R. Mann Owen and Shafroth voted for it. some asperity, as though he there are no certificates. Senators Owen. Snarroth and Poincrene.

A motion to make the number eight received only five votes.

Then the vote came on Senator Nel
The vote came of the vote came o would be the sole consideration in the of repudiating this guarantee and d

> tion Army circles that one result of the Regulations regarding the deduction visit of Gen. Bramwell Booth to America the income tax at its source, when twill be the retiremnt of Commissioner source is the income of an individu Eva Booth from the head of the army in other than that derived from interest Eva Booth from the head of the army in other than that America. The appointment to such post-tion is for five years. Miss Booth will have been here ten years at a date early in 1914, having been reappointed. Army Sun.

tioned is that of Commissioner John Mc-

And the process of many that the process of the pro

annually to Canada about 20,000 perhiefly from England and Scotland. END OF BOOTH RULE wants to ascertain whether, without the immigration laws, or yet juring interests of laboring people, serve rirls may not be sent by the army to Ne York and assured positions before sall. The congress of the army opens in the

INCOME TAX CHANGE HOLDS UP MILLIONS

outlined from First Pan

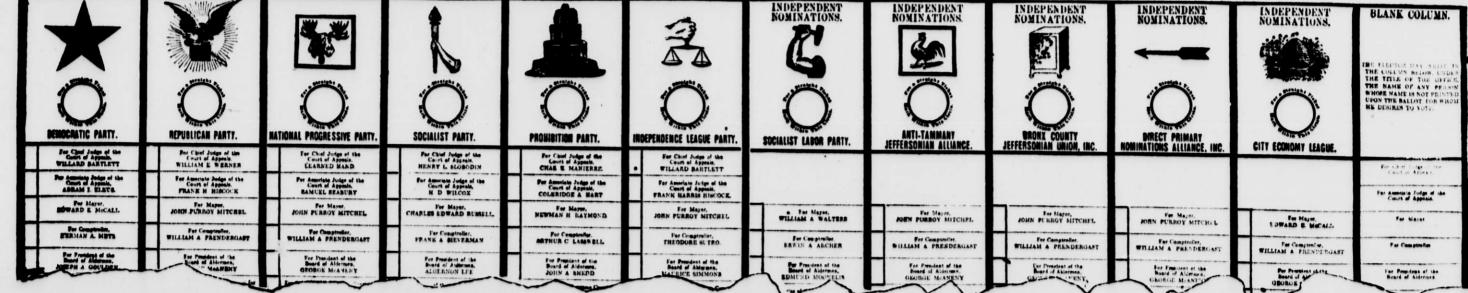
The Southern Railway, on the other hand has instructed its fiscal agents to pay even when certificates are not presente

another issue, however, will not follow

to such post- bonds, mortgages, &c., were given out

banker told the correspondent of Tri

THE OFFICIAL BALLOT NEW YORK CITY VOTERS WILL CAST NEXT TUESDAY



The ballot which will be offered to voters next Tuesday is a neat affair, very different from the bulky ballot of last inches by 16 inches. The first column on the left is the Democratic; then in order.

New York county ballot this year, which come the Republican eagle on a ballot inations arranged in this order; The So-box, the Bull Mose, the torch of the So-box, the Bull Mose, the torch of the extreme right of Appeals so that any voters casting in the left is the Democratic; then in order the left is the Democratic; then in order to the columns on the ballot have to go to one of the other columns. In five of the columns on the ballot have to go to one of the other columns